

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

March 21, 2000

US WATS, INC. (US WATS)
Request to Abandon Service
Docket No. 2000-233

ORDER GRANTING
REQUEST TO
ABANDON SERVICE

CAPSULE COMMUNICATIONS, INC. (CAPSULE)
Petition for Finding of Public Convenience
And Necessity to Provide Service as a
Switchless Reseller Interexchange Telephone
Utility
Docket No. 2000-232

ORDER GRANTING
AUTHORITY TO
PROVIDE RESOLD
SWITCHLESS
INTEREXCHANGE

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

On February 2, US WATS, Inc. (US WATS) filed a letter with the Commission stating that in the future Capsule Communications, Inc. (Capsule) would exercise the authority of US WATS (granted in Docket No. 99-532) to provide intrastate interexchange service as a reseller in Maine. Capsule does not have authority to provide service in Maine. Capsule is presently a subsidiary of US WATS and US WATS intends to merge "into" Capsule, which will be the surviving corporation.

US WATS stated incorrectly that no approval from the Commission for this transaction was necessary. Approval is required under 35-A M.R.S.A. § 1104 for US WATS to abandon service and under section 2102 for Capsule to provide service. Approval is not required, however, under 35-A M.R.S.A. § 708(2) for a reorganization involving affiliated interests because the Commission has waived that approval requirement for competitive interexchange carriers. US WATS and Capsule have agreed that its letter may serve as a request for abandonment of service by US WATS and for a finding of public convenience and necessity for Capsule to provide the same service now being provided by US WATS. As a result of those two approvals, US WATS's current authority to provide interexchange telephone service as a reseller will terminate and Capsule will, in effect, take over its service.

US WATS and Capsule state that the service, rate schedules and terms and conditions of the successor entity (Capsule) will be identical to those of the public utility that is abandoning service (US WATS). In order to prevent customer confusion, US WATS or Capsule shall provide notice to the present customers of US WATS of the transaction, specifically advising them that their service provider will have a different name and that rates will not be changed.

By this order, we grant approval to US WATS to abandon service and we grant authority to Capsule to provide interexchange service as a reseller subject to all provisions of the Order Granting Authority to provide such service to US WATS in

Docket No. 99-932. No later than 30 days prior to the commencement of service by Capsule, Capsule shall file a proposed schedule of rates, terms and conditions reflecting the corporate and name change.

Wherefore, we

ORDER

1. That the request, pursuant to 35-A M.R.S.A. § 1104, by US WATS, Inc. to abandon service is hereby granted, effective on the day that Capsule Communications, Inc. commences service.
2. That the request, pursuant to 35-A M.R.S.A. § 2102, by Capsule for a finding of public convenience and necessity to provide interexchange public utility telephone service as a reseller is hereby granted, effective upon commencement of service; Capsule shall be bound by and subject to all provisions, including the ordering paragraphs, of the order granting authority to US WATS in Docket No. 99-532.
3. That Capsule shall file proposed rate schedules and terms and conditions, that reflect its identity no less than 30 days prior to commencement of service by Capsule. Pursuant to the provisions of Chapter 110, § 1303 of our rules, the Director of Technical Analysis may approve those schedules.

Dated at Augusta, Maine, this 21st day of March, 2000.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
Nugent
Diamond